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January 28, 2002

Ms. Lynda L. Dorr
Secretary to the Commission
Public Service Commission of Wisconsin
610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

WEL
JAN 31 2002

RE: Annual Customer Satisfaction Filing Requirement per Adm. Code PSC 113

Dear Ms Dorr:

On January 9, 2001, the Wisconsin utilities and PSCW staff met to discuss utility compliance with ch. PSC 113.0609 – Customer Satisfaction Surveys. It was agreed that the utilities will continue conducting customer satisfaction research using existing methodologies through 2001; file a description of their current customer satisfaction research methodologies with Commission Staff by March 31, 2001; and file customer satisfaction research results for calendar year 2001 by January 31, 2002.

Xcel Energy filed its current customer satisfaction research methodology description on March 29, 2001. On September 17, 2001 Xcel Energy was notified that our 2001 methodology was acceptable. Per the January 9, 2001 agreement, please find attached the original and five copies of Xcel Energy's 2001 Customer Satisfaction Compliance filing per Adm. Code PSC 113.

Of note in this filing is the slight change in methodology that will be utilized for the 2002 survey as compared to that contained herein. Starting in 2002, future survey results for the Wisconsin customer satisfaction survey will be designed for a slightly higher variance, with a 95% \pm 10% confidence interval as compared to the 2001 filing which was conducted at 95% \pm 5%. This change is explained further in the attached Appendix.

If you have any questions regarding this filing or the future methodology changes, please contact me at (608) 280-7301. Specific questions regarding the findings of this survey may be directed to Patrik Ronnings at (612) 330-5787.

Sincerely,

Brian R. Zelenak
Manager, Regulatory Policy

cc: Kevin Cronin, PSCW
Dan Sage, PSCW
Internal



2001 Customer Satisfaction Study Results

Wisconsin Service Territory

**Prepared by
Xcel Energy Market Research**

January, 2001

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¹ Please see Xcel Energy's March 29, 2001 "Customer Satisfaction Methodology" filing for a more detailed methodology explanation.

Executive Summary

The main purpose of Xcel Energy's comprehensive customer satisfaction surveying program is to monitor the relationship between Xcel Energy and its customers and to measure Xcel Energy's performance with respect to the elements that customers view as important. Xcel Energy's survey asks the customer about aspects of the service relationship and includes questions about non-service elements, such as perceived value, power reliability and perceived community commitment. This report presents customer satisfaction results for Residential customers, Large Commercial & Industrial customers, and Small Commercial & Industrial customers.

The Overall Satisfaction experienced with Xcel Energy among Wisconsin customers is well above average and consistently beats the overall Xcel Energy ratings. This is true across all three customer types. Furthermore, on all rating measures about aspects of the service relationship, Wisconsin customers are more positive than Xcel Energy customers overall.

In addition to customer satisfaction data, Xcel Energy compiled specific information about other products and services desired by Xcel Energy customers in the Wisconsin Service Territory. When Commercial and Industrial customers were asked, "What other products and services could Xcel Energy offer that might be of value to you?" the most frequent responses from Large C&I customers were "affordable/cheaper rates" and "rebates". For Small C&I customers, "Energy Audits and energy efficiency options" were the most frequent responses.

With the same objective in mind, residential customers were asked, "What can Xcel Energy do to improve its service to you?" The most frequent response offered was "reduce rates". Specific open-end data can be found in the appendix.

For questions or inquiries about customer satisfaction research at Xcel Energy, please contact:

Patrik Ronnings
Market Research Analyst
(612) 330-5787

Research Methodology

Study Objectives

- Assess the level of customer satisfaction with the services, products, support provided by Xcel Energy.
- Identify successes and opportunities for the company to make improvements.
- Determine actions necessary to maintain and improve the relationship.

Survey Instrument

The following questions were asked of all customers:

Overall Category	Survey Question	2001 Scale
Overall Satisfaction	Overall Satisfaction Xcel Energy meeting customer's expectations	5Pt (Very Dissat. - Very Sat) 11 Pt (0-10)
Overall Reputation	Xcel Energy compared to the ideal	11 Pt (0-10)
Overall Quality	Overall Quality of products and services	5Pt (Poor - Excellent)
Value	Overall Xcel Energy value	5Pt (Very Poor - Very Good)
Core Delivery Service	Providing reliable electric service Restoring power quickly # outages in last 12 mths	11 Pt (0-10) 11 Pt (0-10) 0 - 99
Company Image	Being well-managed Being a company you can trust	11 Pt (0-10) 11 Pt (0-10)
Customer Service	Being focused on customer service Being an energy expert Having knowledgeable employees Having employees who are courteous and professional	11 Pt (0-10) 11 Pt (0-10) 11 Pt (0-10) 11 Pt (0-10)
Safety	Responding quickly to gas emergencies Showing concern for customer safety Showing concern for the environment	11 Pt (0-10) 11 Pt (0-10) 11 Pt (0-10)
Outage Information	Being easy to reach during outages Providing a restoration estimate	11 Pt (0-10) 11 Pt (0-10)
Community	Showing a commitment to communities it serves	11 Pt (0-10)
Billing	Providing accurate bills Correcting billing errors promptly	11 Pt (0-10) 11 Pt (0-10)
Communication	Communicating with customers about services/program Communicating with customers about energy efficiency	11 Pt (0-10) 11 Pt (0-10)

Large Commercial & Industrial Customers

Methodology

- Survey interviewed Large Business customers with aggregated demand over 500 kW.
- Sample was generated from customer database and verified/checked by Account Managers.
- Telephone interviews; 15-minute survey fielded 8/31/01 – 10/3/01.

Surveys Completed

	Service				Total Surveys	Margin of Error
	Electric	Gas	Both Gas & Electric			
Xcel Energy	487	31	508		1,026	+/-3
Wisconsin	54	3	93		150	+/-8

WI may include a small portion of MI customers

Analysis Tools

- Analysis of respondent closed end survey data using statistical procedures.
- Cross-Tabulation of respondent data using Quantum software.

Mean Ratings²

Survey Question	Mean Ratings		
	Xcel Energy	WI	Difference
Overall Satisfaction	4.3	4.5	0.2
Xcel Energy meeting customer's expectations	6.3	6.7	0.5
Xcel Energy compared to the ideal	6.6	7.1	0.5
Overall Quality of products and services	3.8	4.1	0.3
Overall Xcel Energy value	4.1	4.2	0.1
Providing reliable electric service	7.9	8.5	0.6
Restoring power quickly	7.4	8.2	0.8
# outages in last 12 mths	2.4	1.7	-0.6
Being well-managed	7.2	7.9	0.7
Being a company you can trust	7.7	8.3	0.6
Being focused on customer service	7.2	8.0	0.8
Being an energy expert	7.9	8.4	0.5
Having knowledgeable employees	7.9	8.5	0.5
Having employees who are courteous and professional	7.2	7.9	0.7
Responding quickly to gas emergencies	7.8	8.2	0.4
Showing concern for customer safety	8.0	8.4	0.4
Showing concern for the environment	7.4	7.5	0.2
Being easy to reach during outages	6.9	7.6	0.7
Providing a restoration estimate	6.4	7.5	1.1
Showing a commitment to communities it serves	7.5	8.1	0.6
Providing accurate bills	8.0	8.5	0.6
Correcting billing errors promptly	7.8	8.4	0.6
Communicating with customers about services/programs	7.7	8.3	0.6
Communicating with customers about energy efficiency	7.6	8.0	0.5

² Mean rating for Xcel Energy is the average of all 12 states Xcel Energy serves.

Small Commercial & Industrial Customers

Methodology

- Survey interviewed Small Business customers with aggregated demand under 500 kW.
- Sample was generated from customer database. Potential respondents were randomly selected from this generation.
- Telephone interviews; 15-minute survey fielded 8/31/01 – 10/3/01

Surveys Completed

	Service					
	Electric	Gas	Both Gas & Electric		Total Surveys	Margin of Error
Xcel Energy	1,073	105	826		2,004	+/-2
Wisconsin	203	17	162		382	+/-5

WI may include a small portion of MI customers

Analysis Tools

- Analysis of respondent closed end survey data using statistical procedures.
- Cross-Tabulation of respondent data using Quantum software.

Mean Ratings²

Survey Question	Mean Ratings		
	Xcel Energy	WI	Difference
Overall Satisfaction	4.2	4.4	0.2
Xcel Energy meeting customer's expectations	5.9	6.1	0.2
Xcel Energy compared to the ideal	6.3	6.6	0.3
Overall Quality of products and services	3.7	4.0	0.2
Overall Xcel Energy value	3.8	4.0	0.2
Providing reliable electric service	8.1	8.3	0.2
Restoring power quickly	7.3	7.7	0.5
# outages in last 12 mths	2.0	1.4	-0.6
Being well-managed	7.1	7.6	0.4
Being a company you can trust	7.4	7.7	0.3
Being focused on customer service	6.8	7.3	0.5
Being an energy expert	7.6	7.9	0.3
Having knowledgeable employees	7.8	8.3	0.4
Having employees who are courteous and professional	8.2	8.5	0.3
Responding quickly to gas emergencies	7.8	8.3	0.5
Showing concern for customer safety	7.9	8.0	0.1
Showing concern for the environment	7.0	7.1	0.1
Being easy to reach during outages	6.6	7.3	0.7
Providing a restoration estimate	6.4	6.8	0.4
Showing a commitment to communities it serves	7.1	7.3	0.2
Providing accurate bills	8.2	8.5	0.3
Correcting billing errors promptly	7.8	8.0	0.2
Communicating with customers about services/programs	6.9	7.3	0.4
Communicating with customers about energy efficiency	6.8	7.3	0.6

² Mean rating for Xcel Energy is the average of all 12 states Xcel Energy serves.

Residential Customers

Methodology

- Survey interviewed customers with active accounts that reside in the Xcel Energy Wisconsin Service Territory.
- Sample was generated from customer database. Potential respondents were randomly selected from this generation.
- Telephone interviews; 10 – minute survey fielded once in the Spring and once in the Fall of 2001.

Surveys Completed

	Service					
	Electric	Gas	Both Gas & Electric		Total Surveys	Margin of Error
Xcel Energy	1,175	683	310		2,181	+/-2
Wisconsin	237	127	16		380	+/-5

WI may include a small portion of MI customers

Analysis Tools

- Analysis of respondent closed end survey data using statistical procedures.
- Cross-Tabulation of respondent data using Quantum software.

Residential Mean Ratings²

Survey Question	Mean Ratings		
	Xcel Energy	WI	Difference
Overall Satisfaction	4.2	4.4	0.2
Xcel Energy meeting customer's expectations	6.7	7.4	0.7
Xcel Energy compared to the ideal	6.9	7.3	0.5
Overall Quality of products and services	3.6	3.9	0.3
Overall Xcel Energy value	3.8	4.1	0.3
Providing reliable electric service	8.1	8.7	0.6
Restoring power quickly	7.3	8.1	0.7
# outages in last 12 mths	2.7	1.5	-1.2
Being well-managed	7.0	7.9	0.9
Being a company you can trust	7.3	8.3	1.0
Being focused on customer service	7.2	8.0	0.8
Being an energy expert	7.4	7.9	0.5
Having knowledgeable employees	7.7	8.3	0.6
Having employees who are courteous and professional	8.0	8.6	0.6
Responding quickly to gas emergencies	7.5	8.0	0.5
Showing concern for customer safety	7.8	8.4	0.6
Showing concern for the environment	7.0	7.6	0.6
Being easy to reach during outages	6.7	7.8	1.0
Providing a restoration estimate	6.5	7.2	0.7
Showing a commitment to communities it serves	7.0	7.8	0.8
Providing accurate bills	8.0	8.5	0.5
Correcting billing errors promptly	7.5	8.0	0.5
Communicating with customers about services/programs	7.1	8.0	0.9
Communicating with customers about energy efficiency	7.3	8.0	0.7

² Mean rating for Xcel Energy is the average for all 12 states Xcel Energy serves.

APPENDIX

Methodology Changes for 2002

Sample Sizes and Quotas

In 2001 quotas were set for each Xcel Energy state jurisdiction and customer type. The quotas for the Wisconsin jurisdiction were 380 survey completes each for Residential and Small C&I customers. No quota was set for Large C&I customers, although it was anticipated that we would obtain 150 survey completes.

In 2002 Xcel Energy customers will be surveyed at random without jurisdiction quotas. With this method, the number of customers surveyed by jurisdiction should equal their proportion of Xcel Energy's customer base. Therefore, this may result in a slight change in the margin of error as shown below.

Survey Completes by Customer Type and Jurisdiction for 2001 and 2002

	Residential Surveys:		Margin of Error:	
Year	Xcel Energy	WI	Xcel Energy	WI
2001	2,180	380*	+/-2%	+/-5%
2002	3,200	200**	+/-2%	+/-7%

	Small C&I Surveys:		Margin of Error:	
Year	Xcel Energy	WI	Xcel Energy	WI
2001	2,004	380*	+/-2%	+/-5%
2002	1,600	160**	+/-3%	+/-8%

	Large C&I Surveys:		Margin of Error:	
Year	Xcel Energy	WI	Xcel Energy	WI
2001	1,026	150	+/-3%	+/-8%
2002	1,600	160**	+/-3%	+/-8%

* Quota in 2001

** Estimate for 2002

Rating Scales

In 2002 all rating scales will be on the 0-10 scale. This change affects the three ratings that in 2001 were asked on a five-point scale:

- Overall Satisfaction
- Overall Quality
- Overall Value

Survey Frequency

Rather than interviewing business customers once per year and residential customers twice per year, surveys will be conducted on a continuous basis. This approach will allow closer monitoring of changes in customer opinions and perceptions. Results of these surveys will be available quarterly and filed annually with the PSCW per Wis Adm Code PSC 113.

Long Version vs. Short Version

At the beginning of 2001, it was established that "long" and "short" versions of the surveys would be administered on alternating years for each customer class. However, as the year progressed, it was decided to make all surveys "long" and ask about overall performance as well as specific attributes of the relationship. It is intended to administer "long" survey versions for each customer class in 2002.

Research Findings – Open End Data

Analysis Tool

- Coding and categorization of responses to open end question using Microsoft Access.

Question: *“What other products and services could Xcel Energy offer that might be of value to you?”*

Large C&I Customers’ responses:

Category	Total
Affordable pricing/Cheaper rates	4
Rebates	4
Energy conservation/efficiency options	3
Better communication/More information	2
Natural gas	2
Education/training programs	1
Energy efficient appliances	1
Establish/maintain a local location	1
Rate schedule options	1

Small C&I Customers’ responses:

Category	Total
Energy audits	12
Energy conservation/efficiency options	11
Affordable pricing/Cheaper rates	9
Better communication/More information	7
Lighting options	5
Rebates	5
Alternative energy sources	4
Natural gas	4
Back-up generators	2
Energy efficient appliances	2
Rate schedule options	2
Reliable electric service	2
Better service/customer service	1
Equipment maintenance	1
Internet/Web-based capabilities	1
Improved billing services	1

Question: *“What can Xcel Energy do to improve its service to you?”*

Residential Customers’ Responses

Category	Total
Reduce rates – generally	74
Satisfied/keep doing what they're doing	51
No problems/no complaints	19
More information on saving energy/costs	11
Reduce gas rates	6
Improve billing process - generally	6
Improve tree trimming/maintenance of overhead lines	6
More control over rate hikes	5
Improve billing accuracy/meter reading	5
Keep the power coming	4
More emphasis on alternative energy sources	4
More emphasis on environmental issues	4
Keep more power lines underground	4
More information/communication with customer	4
More concern/programs for lower-income customers	4
Reduce electric rates	3
Reduce high winter rates	3
Offer more discounts/off-peak usage	3
Better customer service/more responsive - generally	3
More responsive to problems	3
More local service personnel	3
Better information on outages/outage response	3
More direct contact with billing personnel	2
More local/online bill payment options	2
Reduce power fluctuations/surges	2
Assure continuous supply of energy	2
More prompt in restoring power	2
Easier phone access to live service reps	2
Keep us better informed on services/programs	2
More high-profile with new information (more ads, brochures)	2